

1 William A. Markham, State Bar No. 132970
Dorn Graham Bishop, State Bar No. 147994
2 Rashida Khan, California State Bar No. 196420
Jason Eliaser, State Bar No. 248394
3 LAW OFFICES OF WILLIAM MARKHAM, P.C.
550 West C Street, Suite 2040
4 San Diego, CA 92101

5 Tel: (619) 221-4400
Fax: (619) 224-3974
6 E-mail: wm@markhamlawfirm.com

7 Attorneys for Defendant Dandee Company, Inc.

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

13 INNOVATION VENTURES, LLC et al.) Case No. 12-CV-5523-WHA-EDL
14 Plaintiffs.)
15 Vs.) STIPULATION AND PROPOSED ORDER
16) (RE: RESOLUTION OF PENDING
17) DISCOVERY DISPUTE BETWEEN
PITTSBURGH WHOLESALE) PLAINTIFFS AND DAN-DEE
18 GROCERS d/b/a PITCO FOODS et al.,) COMPANY, INC.)
19 Defendants) The Hon. Elizabeth D. Laporte
20) Date: October 29, 2013
21) Time: 9:00 a.m.
Place: Courtroom E
Complaint Filed: October 26, 2012
Trial Date: January 13, 2014

I. RECITALS

2 WHEREAS, the present stipulation is made between Plaintiffs and Defendant Dan-Dee
3 Company, Inc. (“Dan-Dee”). By this stipulation, Plaintiffs and Dan-Dee have resolved all of the
4 discovery matters raised in Dan-Dee’s pending motion to compel discovery (Dkt. 447) and ask that
5 the Court allow Dan-Dee to withdraw the motion and render the present stipulation a binding
6 ORDER of the Court; and

7 WHEREAS, Dan-Dee filed a motion to compel Plaintiffs to provide specified discovery on
8 September 23, 2013 (Dkt. 447); and

9 WHEREAS, Plaintiffs advise the Court that they never intended to bring a motion for
10 summary adjudication before making their expert disclosures and in particular their disclosures on
11 their own damages; and

WHEREAS, Plaintiffs and Dan-Dee have negotiated a complete resolution of all of the
matters raised in Dan-Dee's pending motion to compel; and

14 WHEREAS, Plaintiffs have filed a related trademark action in the Eastern District of New
15 York that is entitled *Innovation Ventures, LLC v. Ultimate One Distributing Corp., Inc.*
16 12-CV-05354-KAM-RLM (the “New York Action”); and

17 WHEREAS, Plaintiffs and Dan-Dee respectfully request that the Court (the Hon. Elizabeth D.
18 Laporte) accept the present stipulation, convert it into an ORDER of this Court, and allow Dan-Dee
19 to withdraw its pending motion to compel discovery.

WHEREFORE, Plaintiffs and Dan-Dee now stipulate to the following matters and request
that the Court enter the present stipulation as a stipulated order in this case.

22 1. Plaintiffs and Dan-Dee confirm that they have executed a stipulation by which
23 Plaintiffs have definitively waived their right to recover from Dan-Dee any damages for (a) any loss of
24 goodwill occasioned by the counterfeiting matters or other matters placed in issue in the present case;
25 or (b) any recompense for any harm that they attribute to any such loss of goodwill; and in reliance on
26 this agreement Dan-Dee will not seek to conduct any discovery on this issue. Plaintiffs have disclosed
27 by prior discovery responses that they seek to recover only the following compensatory damages
28 from Dan-Dee, Kevin Attiq or Fadi Attiq: Plaintiffs' lost profits; and the cost that Plaintiffs have

1 incurred by paying Kroll, Inc. to detect, stop and remediate the counterfeiting operation at issue in
 2 this case, including the cost of enforcing the seizure orders (“remediation costs”). Plaintiffs have
 3 represented that, for purposes of calculating their own lost profits, they will rely on the lowest unit
 4 prices at which they made wholesale sales for distribution within the United States of the products
 5 that were counterfeited (SKUS: 500181 (Berry), 318120 (Orange) and 718128 (Extra Berry) during
 6 the relevant period (May, 2012 to December, 2012). Notwithstanding the foregoing, Plaintiffs
 7 expressly preserve their prerogative to seek the following additional remedies from Dan-Dee and the
 8 Attiq brothers: Disgorgement of Dan-Dee’s profits, statutory damages other than compensatory
 9 damages, statutory enhancements (including treble damages), punitive damages, attorney’s fees and
 10 other costs of suit. Moreover, the parties agree that Dan-Dee will examine Plaintiffs about their
 11 incremental profits per bottle during expert discovery, not during fact discovery. The parties therefore
 12 agree by this stipulation to resolve their pending discovery dispute as follows: Plaintiffs will provide
 13 the following fact discovery to Dan-Dee in connection with their claims for recovery of lost profits
 14 and remediation costs: An officer or representative of Kroll, Inc. will testify about the remediation
 15 costs. Plaintiffs’ designee(s) under Rule 30(b)(6) of the Federal Rules of Civil Procedure will testify
 16 about Plaintiffs’ lost profits, excluding their calculation of incremental profits, which rather will be
 17 disclosed and examined during expert discovery.

18 2. Plaintiffs preserve their prerogative to seek to recover from Dan-Dee damages for
 19 remediation costs – i.e., the expenses that they paid to Kroll, Inc. to do any of the following: (a)
 20 Investigate the counterfeiting operation and distribution of counterfeits placed at issue in this case; (b)
 21 seize counterfeit products and related items in the present case or the New York Action; and (c)
 22 remediate or cure any harm caused by these matters. In light of this circumstance, Plaintiffs will timely
 23 produce to Dan-Dee documents sufficient to justify such damages as they seek for these matters and
 24 will produce an authorized officer or representative of Kroll, Inc. at the offices of Plaintiffs’ attorneys
 25 in New York, New York. The scheduled date and time of this deposition are as follows: October 18,
 26 2013 at 9:30 a.m. (EDT). The deposition must begin no later than November 1, 2013, and the parties
 27 will request a change of date only if there is a good-faith reason for doing so. This officer or
 28 representative of Kroll, Inc. will be able to testify about Kroll Inc.’s charges, but Plaintiffs will not

1 waive any applicable privilege or immunity by making the above production or allowing this witness
2 to testify on these matters. In addition, Kroll, Inc's officer or representative will be able to offer
3 testimony on each of the matters listed in paragraph 3 below.

4 3. Plaintiffs have previously produced all of the evidence logs and related documents that
5 show chains-of-custody of all seized evidence for all items seized in the present case and the New
6 York Action. Plaintiffs will promptly identify these documents by control number or send copies of
7 them if Dan-Dee so requests. If Dan-Dee encounters any difficulty in retrieving any of these
8 documents, Plaintiffs will transmit courtesy copies of them to Dan-Dee by pdf transmittal promptly
9 upon Dan-Dee's demand for them. In addition, Plaintiffs will provide to Dan-Dee a comprehensive
10 summary of the following information: (1) How many bottles of the counterfeit products at issue in
11 this case or the New York Action were Plaintiffs able to seize or otherwise intercept before the
12 bottles were sold to consumers? and (2) from which entities or persons these bottles were seized or
13 intercepted? Kroll, Inc's officer or representative, who will be deposed on the date and at the place
14 stated above, will be able to offer testimony on each of the matters described in this paragraph, but
15 Dan-Dee will limit its questions about chain of custody to Kroll's standard procedures for preserving
16 the chain of custody in the present case and whether Kroll observed these procedures when detaining
17 evidence collected under the seizure orders.

18 4. Plaintiffs will produce one or more designees in response to Dan-Dee's notice of
19 deposition to Plaintiffs under Federal Rule of Civil Procedure 30(b)(6). The scheduled date, time and
20 place of this deposition are as follows: October 31, 2013 at 10:00 a.m. at Bienenstock Reporting,
21 30800 Telegraph Road, Suite 2925, Bingham Farms, MI 48025. The deposition must begin no later
22 than November 1, 2013, and the parties will request a change of date only if there is a good-faith
23 reason for doing so. Dan-Dee will commence the examination even though many parties from the
24 present case and the New York Action will be in attendance. To this end, Dan-Dee will be permitted
25 to examine the designee(s) on Plaintiffs' fixed costs (including advertising costs), Plaintiffs' variable
26 costs, and the lowest unit prices at which Plaintiffs made wholesale sales for distribution within the
27 United States of the products that were counterfeited during the relevant period (May, 2012 to
28 December, 2012). Plaintiffs will transmit a production of documents on a rolling basis in order to

1 explain and support their understanding of the above matters and in particular in order to provide an
 2 accurate summary of (1) their fixed costs (including advertising costs); (2) their variable costs; and (3)
 3 the lowest unit prices at which they made wholesale sales for distribution within the United States of
 4 the products that were counterfeited during the relevant period (May, 2012 to December, 2012). The
 5 parties agree that all of this information will be designated as highly confidential – outside attorney's
 6 eyes only. Plaintiffs' documents will provide summaries of these matters during the relevant period,
 7 which ran from May, 2012 to October, 2012. Plaintiffs will ensure that their production of these
 8 documents is not timed so as to render impractical Dan-Dee's deposition of its designee(s) on
 9 October 31, 2013, and Plaintiffs will complete this document production no later than October 25,
 10 2013. During expert discovery, Plaintiffs will make further disclosures concerning their calculation of
 11 incremental profits per bottle.

12 5. Dan-Dee's pending motion to compel discovery (Dkt. 447) is now MOOT and is
 13 hereby withdrawn.

14 **IT IS SO STIPULATED.**

15
 16 DATED: October 4, 2013

/s/ Christos G. Yatrakis

17 Christos G. Yatrakis,
 18 PATTERSON BELKNAP WEBB AND TYLER LLP
 Attorneys for Plaintiffs ,
 Innovation Ventures LLC; Living Essentials LLC;
 International IP Holdings, LLC.

20
 21 DATED: October 4, 2013

/s/ William Markham

22 William Markham, Esq.
 23 LAW OFFICES OF WILLIAM MARKHAM, P.C.
 Attorneys for Defendant Dan-Dee Company, Inc.

24 **PURSUANT TO STIPULATION, IT IS SO ORDERED.**

25
 26 DATED: 10/7, 2013



Elizabeth D. Laporte,
 United States Magistrate Judge